

Elizabeth Stawicki, *Minnesota Public Radio*

St. Paul, Minn. - U.S. Health and Human Services Secretary Kathleen Sebelius visits Rochester's Mayo Clinic Thursday morning.

Joining her will be some members of Minnesota's Congressional delegation who supported passage of the new health care law.

The visit comes after a recent report that Minnesota will receive money earmarked for states which provide low-cost, high-value health care. But just how much money Minnesota will receive is far from certain.

Sebelius is expected to get a first-hand look at the clinic's technology for tracking health care information. Last month, Mayo received a \$12.3 million stimulus grant as part of a nationwide Health Information Technology Pilot program.

But an issue hanging over Sebelius' visit is whether the new health care law does anything to equalize the amount of money Medicare pays to hospitals in different parts of the country.

Researchers such as Gerard Anderson, who heads the Johns Hopkins Center for Hospital Finance and Management, says the money isn't distributed equally.

"There's been a lot of work over the past 30 years looking at geographic variations and trying to understand why hospitals expenditures are twice as high in Miami as they are in Minneapolis," Anderson said. "It seems to be about volume of services."

That's important because Medicare pays hospitals by the procedure, and many researchers have found that performing more procedures doesn't result in healthier patients. In some cases,

subjecting a person to more tests, can make them worse, not better.

As Congress debated the health care overhaul, Mayo Clinic voiced concerns that Medicare's payment system was driving up the cost of health care because hospitals and clinics in some parts of the U.S. were performing many more tests.

At the tail end of the reform negotiations, Congress appropriated \$400 million that was supposed to go to parts of the U.S. -- including Minnesota -- where procedures actually resulted in healthier patients.

The New York Times recently published an analysis that said Minnesota would get about \$11 million of that money, only about 2.7 percent. New York will get the lion's share at about \$46 million.

Minnesota's 4th District Rep. Betty McCollum, a Democrat who played a key role in the health care law negotiations, says just how those funds will be divvied up is still a work in progress. She said Health and Human Services is in the rule-making phase and there's still time to adjust those payments.

"We're going to meet with them to find out how they came up with this list. There's lots of formulas out there; somebody chose this formula and we'll have a discussion," McCollum said. "That's what rule-making is all about and that's why there's public comment periods and we'll be commenting and lots of times the rules are adjusted."

McCollum added that Sibelius will convene a National Summit on Geographic Variation, Cost, Access, and Value in Health Care in September to further work out the details. Plus the Institute of Medicine will conduct two studies on geographic differences. Sibelius is supposed to implement those findings and make changes to the rates by December of 2012.

Lawrence Massa, president and CEO of Minnesota's Hospital Association, represents most of the hospitals and health care systems in the state. He says any additional money will be a benefit.

Massa says the Times' analysis was too simplistic in pitting one state against another. Massa says in truth, the geographical differences are more like a mosaic within individual states.

"We've always understood that there are high-value providers in practically every state in the union so it's not just about New York versus Minnesota or California versus Wisconsin," he said. "There are high value providers in all of those states so this money gets distributed to those that are in that low-cost area regardless of state."

McCollum says she'll talk with Health and Human Services about their formula for the \$400 million appropriation when she returns to Washington next week.